

Blue Cross Blue Shield Association

2010 Lawyers Conference

**Health Reform and
Administrative Simplification:
Keeping it Simple?**

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Topics

- **Background on Transactions Rule**
- **Changes already underway**
- **PPACA requirements**
- **Transaction examples**
- **Enforcement**
- **Other PPACA provisions**

Background

Pre-HIPAA: 400 formats for claims

HIPAA—8 standard transactions

Compliance date

- Originally 10/16/2002
- ASCA delay: 10/16/2003
- Contingency plan: phase in
- National Provider Identifier (NPI): 5/23/2007

Background

1

- Health care claims & equivalent encounter

2

- Eligibility for a health plan

3

- Referral certification & authorization

4

- Health care claim status

5

- Enrollment & disenrollment

6

- Payment & remittance advice

7

- Premium payments

8

- Coordination of benefits

Basic Rules

Covered entity requirement

- Must use standard format when:
 - Conducting transaction electronically
 - With another covered entity

Health plan requirement

- Must use standard format
 - Upon request
 - If health plan conducts transaction in any format

Background

Types of transactions

- Batch
- Real time
- Direct data entry

Companion Guides

- System requirements
- Connectivity issues
- Specific data required
- Interpretations of standards

Background

Medical Data Code Sets

- Medical diagnoses
- Hospital inpatient procedures
- Physician and other services
- Retail pharmacies (drugs & biologics)
- Other substances, services, & supplies
- Dental procedures

Non-Medical Code Sets

- Claim adjustment reason codes
- Remittance advice remark codes
- Claim status codes
- Etc.

Changes Underway

**Standard
format
until
12/31/2011**

- 4010 A1
(Implementation Guide)
- NCPDP Version 5.1

**Standard
format
after
3/16/2009**

- 5010 (Technical Report
Type 3)
- NCPDP Version D.0

Changes Underway

**Code sets
until
September
30, 2013**

- Diagnostic: ICD-9-CM vols. 1 & 2
- Inpatient procedures ICD-9-CM vol. 3

**Code sets
beginning
October 1,
2013**

- Diagnostic: ICD-10-CM
- Inpatient procedures ICD-10-PCS

Increase uniformity of standards

Reduce clerical burdens

- Number and complexity of forms
- Data required by patients and providers

PPACA

Adoption of “operating rules”

- Business rules and guidelines
- Each transaction
- As much uniformity as possible

Effect on Companion Guides?

Operating rule development:

- Multi-stakeholder
- Consensus-driven
- Open & transparent

PPACA

Comprehensive

- Minimal augmentation by paper or other communications

Data elements (including reason/remark codes)

- Unambiguous terms
- Required (situationally required)
- Prohibit additional conditions

PPACA

Enable determination

- Eligibility and financial responsibility
- Specific services
- Prior to or at point of care

Timely

- Acknowledgement
- Response
- Status reporting

Transparent processes

- Claims & denial management
- Adjudication & appeals

PPACA

New transaction

- Electronic funds transfer
- Effective 1/1/2014
- All Medicare payments

“New” transaction

- Health claims attachments
- Effective 1/1/2016

Unique health plan identifier

- Effective 10/1/2012

Eligibility for a Health Plan

Inquiry from provider (or another plan) to health plan about:

- Eligibility for health plan
- Coverage of care under plan
- Benefits associated with plan

Response to the inquiry

ASC X12N 270/271

Eligibility for a Health Plan

4010 A1 required response

- Active coverage
- Inactive coverage
- Not found in system

Health plan disclaimers

- No guarantee of payment
- Subject to contract limitations
- Subject to patient eligibility

Eligibility for Health Plan

ASC X12N 270/271 Transaction (Version 4010 A1)

ST*271*4321~BHT*0022*11*10001234*20100513*1319~HL*1**20*
1~NM1*PR*2*BCBS Geography*****PI*842610001~
HL*2*1*21*1~NM1*1P*2*BONE AND JOINT
CLINIC*****SV*2000035~HL*3*2*22*0~TRN*2*93175-
012547*9877281234~NM1*IL*1*SMITH*JOHN****MI*123456789~
N3*15197 BROADWAY AVENUE*APT 215~N4*KANSAS
CITY*MO*64108~DMG*D8*19630519*M~DTP*346*D8*20100101~
EB*1**30**GOLD PLAN~SE*22*4321~

Eligibility for Health Plan

Bone & Joint Clinic request



John Smith is eligible for:



BCBS Geography Gold Plan

Eligibility for a Health Plan

Required 5010 response is
“elaborate”

- Dates of coverage
- Coverage status (5 codes)
- Patient demographic info
- COB plans
- Types of coverage (10)

Eligibility for a Health Plan

“Highly recommended” response:

- Member financial responsibility (copay, deductible, etc.)

Recommended response:

- Components of types of coverage (180+)

Eligibility for a Health Plan

5010 has no effect on health plan disclaimers

- No guarantee of payment
- Subject to contract limitations
- Subject to patient eligibility

Compliance by 1/1/2012

Eligibility for a Health Plan

PPACA Operating Rules

- Enable determination of
 - Eligibility and financial responsibility for
 - Specific services prior to or at point of care
- Machine readable ID card

Eligibility for a Health Plan

Timeline for Operating Rules

- Adopt by 7/1/2012
- Effective 1/1/2014

Effect on health plan disclaimers?

- No guarantee of payment
- Subject to contract limitations
- Subject to patient eligibility

Eligibility for Health Plan

ASC X12N 270/271 Transaction (Version 5010)

ST*271*4321*005010X279~BHT*0022*11*10001234*20100513*13
19~HL*1**20*1~NM1*PR*2*BCBS Geography*****PI*842610001~
HL*2*1*21*1~NM1*1P*2*BONE AND JOINT
CLINIC*****SV*2000035~HL*3*2*22*0~TRN*2*93175-
012547*9877281234~NM1*IL*1*SMITH*JOHN****MI*123456789~
N3*15197 BROADWAY AVENUE*APT 215~N4*KANSAS
CITY*MO*64108~DMG*D8*19630519*M~DTP*346*D8*20100101~
EB*1**30**GOLD PLAN~EB*L~LS*2120~
NM1*P3*1*JONES*MARCUS****SV*0202034~LE*2120~EB*1**1^3
3^35^47^86^88^98^AL^MH^UC~EB*B**1^33^35^47^86^88^98^
AL^MH^UC*HM*GOLD PLAN*27*10*****Y~
EB*B**1^33^35^47^86^88^98^AL^MH^UC*HM*GOLD
PLAN*27*30*****N~SE*22*4321~

Eligibility for Health Plan

Bone & Joint Clinic request



John Smith is eligible for:



BCBS Geography Gold Plan



All 10 types of service covered



\$10 copay (in-network)



\$30 copay (out-of-network)

Health care claim status

Inquiry to determine status of claim

Response to inquiry

PPACA

- Timely status reporting
- Transparent:
 - Claims process
 - Denial process

Remittance Advice

Remittance advice or explanation of benefits

PPACA

- Automated reconciliation
 - Electronic payment
 - Remittance advice

Enforcement

Health plan certification:

- Comply with standards & operating rules
- Re-certify for amendments, revisions, new transactions

Adequate documentation:

- Conduct compliant transactions
- Completed “end-to-end testing”

Enforcement

Penalty fee for failing to meet:

- Certification requirements
- Documentation requirements

**Amount:
\$1/covered life/day**

- Not to exceed \$20/covered life/year
- Inflation adjusted

Penalty for misrepresentation

- Double standard penalty

Enforcement

Certification by outside entity

Health plan audits

Business associate compliance

PPACA Directives to HHS

Timeliness of payment rules

- Health plans required to publish?

Claim edit methodologies & processes

- Transparent
- Consistent

Uniform provider credentialing

- Standardized forms
- Electronic “enrollment”

Uniform Documents

Standards for GHPs' & Insurers':

- Summary of Benefits
- Coverage explanation

Uniform

- Appearance
- Language
- Definitions
- Contents

March 23, 2012 delivery date

Timeline

January 1, 2012

- 5010 compliance for all transactions, except:
 - Electronic Funds Transfer
 - Claims Attachments

January 1, 2013

- Operating Rules go into effect for:
 - Eligibility for a health plan
 - Claims Status

October 1, 2013

- Transition to ICD-10 code sets

Timeline

December 31, 2013

- Certify compliance with **standards & operating rules** for:
 - Eligibility for a health plan
 - Payment/remittance advice
 - Claims Status
 - EFTs

January 1, 2014

- Operating Rules go into effect for:
 - Electronic Funds Transfers (new transaction)
 - Payment & remittance advice

Timeline

December 31, 2015

- Must certify compliance with **standards** and **operating rules** for other transactions

January 1, 2016

- Operating Rules for other transactions go into effect, including for:
 - Claims attachments (new transaction)

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Questions?

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